

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 0 6

2. STATE:

WV

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

06-01-00

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440,150

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ -0-

b. FFY 2001 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D-2, Page 8

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-D-2, Page 8

10. SUBJECT OF AMENDMENT:

Intermediate Care Facilities for the Mentally Retarded (ICFs/MR)

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ OTHER, AS SPECIFIED:

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Elizabeth S. Lawton

14. TITLE:

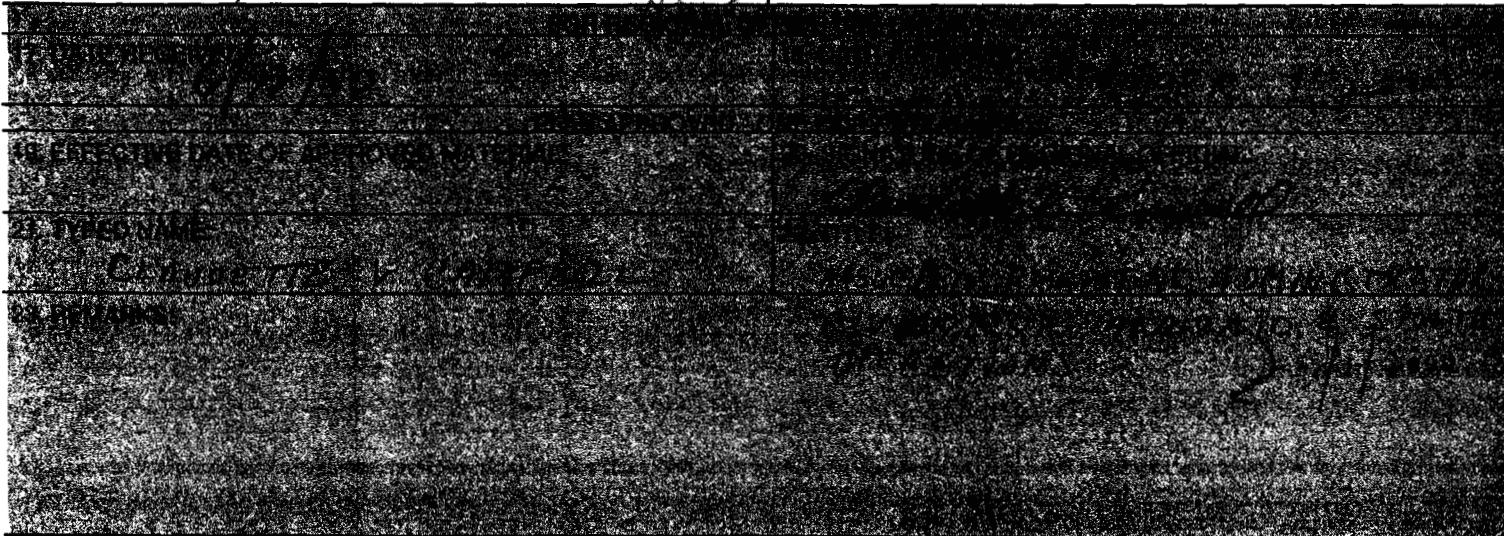
Commissioner

15. DATE SUBMITTED:

June 21, 2000

16. RETURN TO:

Elizabeth S. Lawton, Commissioner
Bureau for Medical Services
Room 251, 350 Capitol Street
Charleston, WV 25301-3706



rate for each six month period effective April 1 and October 1 of each year beginning April 1, 1998. The State will provide for periodic re-basing of rates based on the most recent cost report filings. In no case will facility rates, including inflation adjustments, be in effect for more than 3 years without full re-basing.

A. Cost Adjustment

Reported facility costs are subject to review and analysis through desk audit. Adjustments are made to exclude non-allowable costs and by application of the agency's established cost standards using the following methodologies:

1. Standard Services

Reported allowable costs in the standard services area are compared against the aggregate cost standard for these cost centers. If the allowable reported costs exceed the cost standard, then the facility rate is limited to the standard.

2. Mandated Services

Reported allowable cost is fully recognized for these cost centers, provided it does not exceed the upper limits established by the Department. The upper cost limits are set at the 90th percentile of reported allowable costs, based on an assumed occupancy of 100% and a calendar year of 365 days.

3. Cost of Capital

Capital costs will be determined on a facility-by-facility basis applying the Standard Appraised Value (SAV) methodology. Capital costs will be updated effective October 1st of each year.

a. Capitalization Rate

A capitalization rate is established to reflect the current SAV of the real property and specialized equipment. This overall rate includes an interest rate for land, building and equipment, and an allowance for return on equity investment in the land.